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SUBJECT: AFGHAN TRADE ENVOY IN RUSSIA OFFERS VIEWS ON CORRUPTION,
POLITICS IN AFGHANISTAN

REFTEL: Kabul 701

Summary

¶1. (U) Kamal Nabizada, a prominent Afghan businessman from Mazar-e-Sharif, Afghan trade attach in Moscow, and self-described confidant of President Karzai and Russian Prime Minister Putin, shared with State PRT officer his thoughts on corruption in the fuel import business, the upcoming Afghan presidential election, Iranian support for the opposition United Front (UF), and Russia's views towards NATO in Afghanistan. Nabizada is pessimistic about efforts to fight corruption while acknowledging that merchants themselves perpetuate the corruption cycle. He said unequivocally that he will support Karzai's reelection bid, and so too will powerful Balkh Governor Mohammad Atta. Iran is financially supporting the UF, but Russia has not given a response to the UF's request for assistance. Nabizada says Russia sees Karzai as the "least bad option" in the upcoming presidential elections and wants to see him remain in office through that period but will not lend financial support to Karzai's reelection bid. He also claimed that he was influential in getting Russia to allow NATO to transport non-materiel supplies over Russian territory to Afghanistan.

"Corruption harder to fight than the Taliban"

¶2. (U) Nabizada, who imports fuel from Russia and Uzbekistan to Afghanistan, described the rampant corruption at the Heyratan border in northern Afghanistan as a problem "harder to fight than the Taliban." He said that merchants have to pay two fees to the government when importing fuel: service charges to the Ministry of Commerce (MoC) for storing the fuel in government-owned fuel tanks, and customs tariffs to the Ministry of Finance (MoF) based on the amount of fuel imported. Nabizada said he is vexed by the MoC's corrupt practice of skimming off a few tons of fuel from every shipment he brings in. For example, if Nabizada charges 50 metric tons (MTs) of fuel in tanker railcars in Uzbekistan, Afghan MoC officials in Heyratan measuring the volume of fuel in those tankers will claim that the tankers only contain 48 MTs. This also results in fewer customs revenues collected by the MoF, as the customs tariff is calculated based not on the 50 MTs, but on the 48 MTs. Fuel importers pass their losses on to fuel station owners, resulting in higher prices at the pumps. (NOTE: As per reftel, the Ministers of Commerce and Finance have recently reached an agreement that will allow MoF customs officials access to the state-run fuel import depot at Heyratan - previously the domain of the MoC. It is too early to tell how the implementation of this agreement is proceeding.)

¶3. (U) Additionally, unscrupulous Afghan traders who import low-grade fuel routinely bribe Afghan MoC officials to mix that low-grade fuel with high-grade fuel in the same storage tanks.

Those merchants can then sell their better quality fuel (after mixing) at a higher price on the market. Nabizada said this practice hurts importers like him who import high-grade fuel. Asked whether he thought the removal of Engineer Rozi, the corrupt MoC official who ran his own racket as director general of the state-run fuel import depot at the Heyratan border, would improve the situation, Nabizada remains doubtful that will bring change. Even if Rozi's replacement were an honest man, merchants would soon make him corrupt by offering him sums of cash too large to refuse if he would allow them to continue importing low-grade fuel. In Nabizada's view, the only way to stop this practice is to arrest and prosecute a few of those traders and the MoC collaborators taking the bribes.

Friend of Karzai...

14. (SBU) Nabizada volunteered that he and Balkh Governor Atta are backing President Karzai's reelection bid. Nabizada, who says he is a close friend of Atta, remarked that the governor's Nowruz speech, in which he praised the central government's achievements, was intended to signal Atta's support for Karzai's reelection. In a nod to corruption within Karzai's government, Nabizada added that Karzai has "had his fill" but that a "hungry" new president's administration would want to have their turn feeding at the public trough.

15. (SBU) Nabizada offered a nuanced view of the widely reported remarks by Karzai a few months back when the president said he would turn to Russia for military hardware sales if the West would not provide them. Nabizada said this remark jolted him so much that he called Karzai the following morning and asked him what he was

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thinking. Karzai reportedly admitted to Nabizada that he got off track in a moment of impassioned speech, prompting Nabizada to ask Karzai to promise that he would use notes and stick to them in future speeches.

...and Friend of Russia

16. (SBU) Nabizada claims that Russian Prime Minister Putin once told him that he values Nabizada's impressions of events in Afghanistan more than he does those of Russia's ambassador in Kabul. Nabizada said that last year, when friction arose between Russia and the West over Russia's conflict with Georgia, he argued strongly to the Russian foreign minister that it was in Russia's strategic interest to allow NATO to transport non-materiel supplies across Russian territory to Afghanistan.

17. (SBU) Russia is not enamored of Karzai but considers him the "least bad option" for president, and supports his remaining in office through the August elections. Asked to comment on allegations by other political parties that Russia is supporting the opposition United Front (UF), Nabizada denied this is the case, but acknowledged that the UF has sought financial support from Russia, which has neither approved nor rejected that request.

Iranian Influence in Afghanistan's Politics, Media

18. (SBU) Iran, claims Nabizada, is providing financial assistance to the UF through the Iranian Revolutionary Guard Corps (IRGC), with a certain Mr. Suleimani as the Iranian conduit for that assistance. Iran, through its agent, Mr. Karimyan, is also bankrolling the operations of Noor TV and Tamadun TV in Kabul. Nabizada added that he will financially support the presidential bid of former Iranian president and current candidate Khatami in the run-up to Iran's June presidential election.

Comment

19. (SBU) Nabizada holds sway over several of Afghanistan's movers and shakers, and by his own account, over several of Russia's too, including Putin, whom he claims to meet regularly when in Moscow. He seems resigned that corruption at the border will not diminish, and as long as his fuel import business remains profitable, we

should not count on him to lead the charge for reform. His claim that Governor Atta shares his support for Karzai's reelection is being born out subtly in Atta's public remarks. Despite his overt closeness to Russia, Nabizada says he is a friend of the U.S. and offered to deliver any message to either Putin or Karzai that the U.S. wants him to deliver if it would help relations between the U.S., Afghanistan, and Russia.

¶10. (U) Bio notes: A dual Afghan and Russian national, Kamal Nabizada (or Nabi, as his friends call him) is a multi-millionaire who, in addition to his fuel import business, owns several other businesses, among them a construction company, biscuit factory, and a radio and television station (Arzu TV) in Mazar-e-sharif. Nabizada spends most of his time in Russia; he holds an Afghan diplomatic passport in his capacity as a volunteer trade attach at the Afghan embassy in Moscow. His ties to Russia date back to the days when he served as Russia's conduit for funneling military assistance to former Northern Alliance leader Ahmad Shah Massoud. He is close to the Jamiat Party, especially to Jamiat's Governor Atta and Ahmad Zia Massoud. His wife and children are U.S. citizens and reside in Rockville, Maryland. Nabizada is a Shia Tajik (Qezelbash tribe).

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